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TO : Chief, FBW

DATE: 16 March 1949

FROM : Chief of Station, Karlsruhe

SUBJECT: GENERAL - Operational

SPECIFIC - Project ANDROGEN Memo No. 1: The Genesis through 20 January 1949

REF : MUNI-265, -292; MGM-A-1024

NOTE : This is the first of a series of memoranda on this complex project. Because of the diversity of new problems allied with the project plus the fact that MCB's solutions to some are still tentative, many statements in these memoranda merely show the evolution of MCB's thinking along various cogent lines and do not purport to be a final recommendation.

1. In August 1948, contact with CAPARISON was resumed for the purpose of eliciting information on Ukrainian dissident groups in connection with Project ICCN. The results of some ten ICCN meetings with CAPARISON are contained in MGM-A-793. Since 20 October, when the last ICCN conversation took place, the undersigned case officer has held 13 meetings with CAPARISON in order to assess the operational possibilities of exploiting the UNVR-GEN-CPA triad in the Ukraine through ZFUHR here in Germany. Four of the 13 meetings were attended by ANTWERP, two by [] and one by ACROBAT. The most recent meeting with CAPARISON took place on 10 March 1949; the present memo, however, takes the genesis of the operation only up to 20 January 1949.

2. How CAPARISON was re-contacted: In late May 1948, Special Agent Camille S. Hilde of CIC Region IV, [] a letter of introduction to CAPARISON. [] had served as a Region IV informant on Ukrainian dissident groups almost since the day when [] severed contact with [] in 1947. Actually, CIC Region IV ceased conferring with [] in June 1948, when the Region received orders from their SUPERIOR.

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quarters to curtail coverage of dissident emigre groups in Western Germany. Thus no objection was offered by CIC to MOB's proposal of re-contacting our old source. On 28 February 1949, CIC officially dropped CAPARISON from their list of active informants.

3. News of the Couriers' Arrival: On or about 14 October 1948, two independent reports, one from MOB's [] sources and the other from CAPELIN, stated that two couriers from the Ukraine had arrived in Bavaria between 10 and 12 October 1948 at Zwieseler-waldhaus (Q-C6). (See Para. 44 of LGM-1-793). CAPARISON claimed on or about 15 October that he had no knowledge of the arrival of any such couriers. The names of the couriers were read to him by the case officer.

4. Why Conversations with CAPARISON Made no Progress until January 1949: Prior to CAPARISON's trip to England in late December 1948, little real progress was made towards effecting a working understanding between the case officer and ZFUEVR. Some of the causes of delay were apparent at the time, but others were only clarified on 11 January after MIS Capt. Zoltan Havas had given an account of his operational arrangement with CAPARISON which had also begun in August 1948. A cursory survey of the primary causes of delay runs as follows:

a. In terms of tangible results the CAPARISON-Havas operation was of a considerably more direct and immediate value to ZFUEVR than the ICON conversations. Since the couriers brought messages for leaders of OUN/Bandera as well as for members of ZFUEVR, the latter organization was confronted with the problem of getting some official hold on the couriers and cutting OUN/Bandera out of the picture. Capt. Havas released the couriers from a camp where they had been detained for illegal border crossing and managed semi-officially to hand them over into ACHOBAT's custody. Havas allegedly gave ACHOBAT a document which gave the transaction a binding and legal appearance. In addition, Havas furnished the transportation to get the couriers from the border area down to Munich. When CAPARISON was about to leave for England in late December, Havas supplied CAPARISON with \$50.00 to help defray traveling expenses. (This gift of money was to be disguised as a loan from one of Havas' contacts before CAPARISON would accept it however.) Another predisposing factor in favor was the fact that he used a cutout who was a close friend of CAPARISON's since 1939, namely []. At any rate, discounting CAPARISON's usual evasiveness and sidestepping embarrassing questions, CAPARISON's statements from mid-October to mid-December 1948 gave no other operational contact existed. In a conversation with L. Carson in mid-December, Havas alluded to the fact that his operations involved CAPARISON. Copies of [] received from CAPARISON and/or ACHOBAT plus [] operation are being forwarded under separate cover. It suffices it to say that the unknown existence of this operation had a delaying effect on the early stages of developing Project ACHOBAT.

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b. A second cause for delay was the absence of concrete evidence that the United States intends to honor the specific support proposals contained in MGM-A-793. In November and December 1948, CAPARISON hinted repeatedly that he would like to know whether the ZPUHVR had received a clean bill of health before he entered into any binding agreement with an American intelligence agency.

Field Comment: It should be noted that ZPUHVR has so far not resorted to the familiar dissident group tactics of financing its political projects with money received from western intelligence agencies. ZPUHVR apparently takes the stand that a political group composed of satellite or Russian nationals with any aspirations for future success should not allow itself to become a tool of a western intelligence service unless the western nation involved demonstrates with some clarity that the political goals of the dissident group are at least tolerated, if not supported. The lack of any evidence that ZPUHVR, and therefore, by extension, the Ukrainian resistance movement in the homeland, is considered by the United States to be anything more than a channel for collecting intelligence reports on Soviet Russia, had a delaying effect on negotiations prior to 15 January 1949.

c. All of the American intelligence personnel who have dealt with CAPARISON in the past have, to this case officer's knowledge, formed the same opinion concerning the inadvisability of dealing upon the usual case officer-agent relationship in dealing with this man. The undersigned case officer has spoken with Captain [redacted], Special Agent Hajdu and Capt. Zoltan [redacted] on this subject. It must be remembered that CAPARISON is a Ukrainian nationalist leader, a politician in the best conference table manner, an ordained priest of the Greek Catholic church, a former professor of theology and philosophy, and a graduate of a Jesuit college in Innsbruck, Austria. These factors in his past education and in the present situation are reflected in the slowness with which he arrives at decisions. He acts at times in an irritatingly cautious old horse trader. Rarely does CAPARISON give a yes or no answer, and never does he answer a question which displeases him.

In mid-December 1948 when negotiations reached a particularly low ebb, the case officer demanded that ANTILER be present at the next meeting. (CAPARISON had previously stated that he always consulted with ANTILER on matters involving business contacts with the West.) CAPARISON once stated to the case officer that he knew that ANTILER was not a man who handled words or figures. CAPARISON's assessment proved correct and thus CAPARISON's cautious manner ceased to have a retarding effect on negotiations in mid-December 1948.

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5. The Havas-ZPUHVR Operation: The case officer and I met Capt. Havas on 11 and 13 January, to probe the nature of Havas' operation involving CAPARISON, ACROBAT and the two APOSTLES, and to find out whether Havas would be willing to cancel his interest in view of ours. Havas' first enthusiastic description of the proportions and success of his operation, summarized in MUNI-265, did not tally completely with CAPARISON's version of the operation nor with the content of the two reports which the operation netted. What discrepancies there were are enumerated in MUNI-292. Actually Havas helped to bring the APOSTLES and ACROBAT together. In compensation for this assistance, CAPARISON channelled through ACROBAT to Havas an account of the APOSTLES' trip to Germany, some incidental intelligence which the APOSTLES picked up in the Ukraine and on their way out, plus a translation of some of the pouch material which the APOSTLES carried. All these items are contained in the two reports which Havas furnished to the case officer on 7 March 1949. These two reports, Havas' revised version of the operation and an explanation for the inexactitudes contained in MUNI-265 follow in a separate memorandum.

6. Capt. Havas Relinquishes his Operation: On 13 January 1949, Havas declared his willingness:

- a. to drop his plans for developing a courier operation to the Ukraine using persons placed at his disposal by ZPUHVR; and
- b. to instruct his cutouts to leave CAPARISON alone.

7. CAPARISON Offers to Drop the Havas Contact: On 15 January, the case officer confronted CAPARISON with the fact that he was aware of operational contact running from CAPARISON through cutouts Dr. Fritz ARLT @ fnu WERNER and Adolf IDOL to an American intelligence official (Capt. Havas). This revelation was accompanied by the case officer's flat request that CAPARISON sever this contact as gracefully and as tactfully as possible. The case officer added that the American intelligence official had been requested to cancel his side of the contact and had already complied. On the evening of the following day, 16 January, CAPARISON agreed to drop all business contact with the two cutouts of Capt. Havas. He qualified, however, that he would maintain occasional contact with his old friend Dr. Fritz ARLT @ fnu WERNER. (For further information on ARLT, see the memo on Havas' operation which follows.) Secondly, CAPARISON agreed at the case officer's behest that if it proves to be possible to get the two APOSTLES back to their starting point in the Ukraine, American intelligence briefs can be transmitted by the APOSTLES to their superiors in the underground for fulfillment. If the couriers could be sent off in early Spring 1949, as ZPUHVR desired, any and all technical aid furnished by the United States towards shortening the distance to be traversed behind the Iron Curtain would improve the APOSTLES' theoretical chances of safe arrival at their headquarters, besides increasing the readiness of

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resistance leaders in the homeland to risk the lives of underground personnel in the collection of intelligence for the United States. CAPARISON stated that he viewed the proposition of getting the couriers back to their point of origin as a joint undertaking. ZPUHVR is supplying the reliable courier personnel and receiving technical assistance in the training and transportation of the couriers; the American IS is furnishing technical assistance and receiving the services of reliable courier personnel plus the opportunity to exploit the intelligence collection facilities of an active anti-Soviet underground movement for the purpose of intelligence collection. CAPARISON added that he did not consider the collection of intelligence reports of as much long-range value as the coordination of war plans and policy between the United States on the one hand and the only well-organized, active resistance movement inside the Soviet Union.

8. ZPUHVR Reiterates its Position vis-a-vis Intelligence Collection On 20 January 1949, during a meeting attended by CAPARISON, ANTLEER, the case officer and [] CAPARISON and ANTLEER stated without prompting that unless they are able to get into contact with UHVR-OUN-UPA, their organization, ZPUHVR might as well fold up shop, since without contact ZPUHVR is relegated essentially to the position of just another dissident group in exile. CAPARISON and ANTLEER added that they realized that intelligence reports from their headquarters in the Ukraine would be of decided benefit to the United States. Nevertheless, they hastened to say, the primary mission of ZPUHVR is not to act as a go-between in an intelligence operation, but to advertise the feats and intentions of the Ukrainian underground movement, and thereby accumulate support, either real or moral, for the cause of Ukrainian self-determination. ANTLEER followed this assertion by a detailed recitation of the handicaps under which ZPUHVR has been forced to operate since the end of the war plus a rather dreary estimate of how far ZPUHVR has fallen short of achieving its primary mission: no progress has been made since 1945-46 although many fine-sounding plans such as CAPARISON's operation BELLASCA have been proposed. ANTLEER then repeated the varieties of support which ZPUHVR would appreciate and which are contained in the ICON report, EMB-A-1, plus a few additional proposals not included in that report. ANTLEER commented that ZPUHVR is not asking for any support which has not already been granted by the United States to other dissident groups and leaders and that none of the groups or political figures who have received American aid can truthfully claim to be representatives empowered to act and contract for an active, growing resistance movement of national proportions within Soviet Russia itself. ANTLEER, as foreign secretary, said that the president of UHVR have this power, but the United States does not appear to them to be interested.

9. How West-East Contact can be Re-established
Ukrainian Underground After the preliminary discussion summarized in the preceding paragraph, the case officer and []

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channeled the conversation into the more immediate problems involved in the dispatch of two couriers to Western Ukraine. The discussion turned naturally around:

- a. the route which the APOSTLES would use;
- b. the transportation facilities, if any, which they could use; and
- c. the feasibility of the couriers carrying radios with them.

CAPARISON and ANTLE recommended under route and mode of transportation travel by air, with the plane either landing at one of the underground's "airfields" or with the APOSTLES being dropped by parachute. [] and [] immediately put the damper on the plane idea by stating that such a plan was out of the question at this time because both case officers felt that unless this idea were immediately suppressed, ANTLE and CAPARISON would not find it necessary to recommend any alternative route. Once ANTLE and CAPARISON had gathered that the couriers would not be returned to the Ukraine by air, they asked whether or not the Americans could get the couriers at least as far as the border of the Ukraine at some point where the border is not well guarded, for instance the northern Rumanian border. [] and [] offered the suggestion, at that time unexamined, of transporting the APOSTLES to Vienna and sending them out from there over Slovakia. The reaction to this suggestion was only mildly favorable. CAPARISON emphasized that even though travel out of the Soviet Union to the west is comparatively easier than travel in the opposite direction, only fifty per cent, or three men, of the group of six which started out from the Ukraine in July 1948 arrived safely in Western Europe. The other three were killed or died en route. In summer 1947, a group of twelve armed Ukrainians coming west were completely annihilated near the western Czech border. The last time that a courier from Germany arrived successfully in the Ukraine was in 1946. Without exception couriers dispatched since that time, all from OUN/Bandera, did not reach their destination, because they were either killed along the way or fell into the hands of the NKVD. At least two, Dr. MOROZ and Capt. CHISEVSKI ("DEMID"), came back to Germany doubled. These facts speak for themselves and for the limited chances two armed men traveling eastward have of passing Soviet and Russian travel control barriers on foot, since it must be assumed that these controls are progressively tightening. Two other factors which must govern all planning on ways and means of sending the couriers back are:

- a. the weight and volume of materials which the couriers are supposed to carry, and
- b. the fact that overland trips on foot travelling only by

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night are not feasible through Czechoslovakia and the Ukraine except between the end of April and late September, the warm season of the year.

Naturally there is a limit to what a healthy male can lug over a long distance. The APOSTLES themselves are best qualified to comment on what this limit is. Food, arms and ammunition comprised the main items of weight carried by the APOSTLES on their way out. What can be carried in addition to these basic items is also a matter for detailed discussion with the men themselves. Concerning the time of year when surreptitious travel can be made, the following consideration must govern all planning: if the APOSTLES are expected to go into the Ukraine on foot, deliver their material, and recommend that another courier group be sent back west immediately, then they must start back to the Ukraine as early as possible in Spring 1949, so that the east-to-west group can start before mid-July 1949. Otherwise, no couriers with answers to briefs carried in by the APOSTLES will be out before early Summer 1950. It goes without saying, that if the time it takes the couriers to get to the Ukraine is shortened, or if radio communication can be set up with the Ukraine, then neither do the APOSTLES need to leave so early in 1949, nor is it essential that a return courier group be sent out to Germany in Summer 1949 from the Ukraine. In turn, the feasibility of radio communication is dependent on how the radios and trained operators can be transported into the Ukraine. If the APOSTLES are expected to carry one or more radios, then it goes without saying that the weight and size of the radio must be quite small. Then again if one radio is carried split up into several parts with each man carrying half the weight, both APOSTLES must arrive alive at their destination. If one is killed or either gets into a tight situation where he is forced to jettison ballast, the radio might as well have been left in Germany. Granted this circular concatenation of problems, transporting the APOSTLES and several radios by air to be dropped by parachute offers the only solution with good possibilities for success.

10. The Decision to Investigate the Vienna-Slovakia Route: After these statements by CAPARISON and MYTLER, [] reiterated that if planning for the return of the APOSTLES to the Ukraine during the year 1949 be kept on a rational objective plane, then the subject of air transportation must be left out of the deliberations at this time. It was then decided that the possible channels for sending the APOSTLES out through Vienna would be investigated by MOB and that the results of the investigation, if favorable, would be discussed with CAPARISON. At this point the meeting of 20 January 1949 broke up.

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- Field Comment:
- a. The development of Project ANDROGEN since 20 January 1949 is covered in the next operational memorandum.
 - b. The APOSTLES account of their trip west last summer is contained in MGM-A-1024.

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